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FLORIDA'S COASTAL ECONOMY: OPPORTUNITIES AND CHALLENGES IN THE FLORIDA KEYS

FIELD HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

OCTOBER 4, 2019

Printed for the use of the Committee on Small Business and Entrepreneurship

Available via the World Wide Web: http://www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
39–848 PDF WASHINGTON : 2020

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FLORIDA'S COASTAL ECONOMY: OPPORTUNITIES AND CHALLENGES IN THE FLORIDA KEYS

FRIDAY, OCTOBER 4, 2019

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Marathon, FL.

The Committee met, pursuant to notice, at 10:17 a.m., at the City of Marathon, 9805 Overseas Highway, Marathon, Florida, Hon. Marco Rubio, Chairman of the Committee, presiding.

Present: Senator Rubio.

OPENING STATEMENT OF HON. MARCO RUBIO, CHAIRMAN, A U.S. SENATOR FROM FLORIDA

Chairman RUBIO. Hello. Good Morning. We use this dais in this facility here today.

Let me begin with Commissioner Michelle Coldiron is here. Thank you so much for coming by. I appreciate it this morning.

From Mote Marine Institute, Allison Delashmit. Thank you so much for being here. You guys do phenomenal work.

Our city manager from Marathon, Chuck Lindsey, is here, along with council member Luis Gonzalez. Or were here. You are still here. There you are, way out back there.

Steve Cook, vice mayor of Marathon, as well. And the mayor, John Bartus.

So we have a quorum. Right? All right.

Mark Senmartin from Marathon, our council member. Dan Zieg.

We keep—we really do have a quorum. All right. Good.

From the office of State Representative Holly Raschein is Sara Craven and Julio Rodriguez. She is a great friend, does a great job. Thank you for being here.

A former colleague of mine in the State House, now I guess he is a member of the media. He is always walking around with a recorder. Ron Saunders, way there in the back. And he is an aggressive member of the media. He ran up, and we have done a lot of interviews together. Ron, it is always good to see you.

So thank you all for being here.

The purpose of this hearing is to examine both the unique opportunities and the challenges that are facing the coastal economy here in Monroe County in the Florida Keys.

These islands boast truly Floridian industries, such as fishing and diving, and other activities that are directly and indirectly re-

lated to tourism. It is a mecca for small businesses that thrive around these industries, whether directly or indirectly servicing them.

And this is a very special part of the State. It is a place where I know generations of families—and so in my family, have created traditions and memories—mostly very good memories and some funny ones.

And it is a place where people from all over the world travel. I am always surprised when I run into people not just from all over the world, but colleagues and people I interact with in Washington who have been here quite a bit. Although, I am not sure they want people to know they are coming down here, which is part of the great ability to come down here and sort of lose yourself and be here as opposed to escape the world.

There is a—I always tell people this truly is some sort of a magical thing that happens as you get on U.S. 1 and head south. The world seems further and further away, and you can really spend some time decompressing. And it is a very unique part of our State, and we are glad to have it.

Five million people come here annually by most estimates. It is also what we like to call, or know it is—we take pride in saying it is the fishing capital of the world. In fact, according to Florida Fish & Wildlife Conservation Commission, there are approximately four million salt water recreationally licensed anglers in the State.

Which reminds me—no, mine is current. I just saw it the other day. But I actually lost it and somebody dropped it in the mail and sent it back. Very nice of them to do that. I left it somewhere.

But, there were 2.3 million of these licenses sold just in the last fiscal year. That resulted in $37 million in total salt water license sales.

Salt water recreational fishing has an economic impact which is astounding. It is approximately $11.5 billion. It supports over 106,000 jobs across the State of Florida. According to NOAA, Florida's commercial fisheries generate $3.2 billion in income and support over 76,000 jobs. So that's approximately 200,000 jobs between commercial and recreational fishing. And I actually think the numbers are higher if you become creative and realistic at the same time about how you identify the jobs in the industries that help support or are supported by fishing.

This county, Monroe County, also has several Federal agencies as partners. That includes the Coast Guard; the Navy; NOAA, as I mentioned; the Weather Service. But, tourist-related industries have such a significant impact on the coastal economy throughout the county. It is vital that these important Federal partners fulfill their role as it relates to that and uphold their obligations in working with our State and our county officials.

Having access to weather-related data, such as up-to-date weather forecasts, meteorological data, and information pertaining to tides, seas, and storms, is imperative to both the safety of the county residents and to the success of the small businesses and the entrepreneurs that call the Florida Keys home.

Additionally, NOAA is responsible for the Florida Keys National Marine Sanctuary, which is jointly managed with the State. The sanctuary protects nearly 3,000 nautical miles of truly unique

coastal waters. It is the home to more than 6,000 species of marine life and includes a significant stretch of the third largest barrier reef on the planet.

While we Floridians have a real responsibility and obligation to preserve and protect our State's natural treasures and beauty, conservation efforts, frankly, are also vital to the success of the economy.

In addition to my responsibilities here on the Small Business Committee, I am also a member of the Appropriations subcommittee that covers issues on Commerce, on Science, on Interior, and Environment. It is a very important subcommittee for our State and for this county.

I am proud to say that last week we were able to approve several important items as part of the Appropriations bill that are critical to Florida and to this county.

The bill includes $55.5 million for marine sanctuaries; $7.5 million for the marine debris program; $400,000 to monitor coral disease; $1 million for the South Florida Geographic Program to monitor coral health; up to $5 million for agencies to work with academic institutions and non-governmental research organizations to establish innovative restoration projects to restore degraded coral reefs.

This is the second year in a row that we have secured explicit funding for reef restoration through this process. Last year's law resulted in NOAA issuing two grants worth more than $1.6 million to fund the planting of 114,000 corals within the Florida Keys National Marine Sanctuary by Mote Marine Lab and the Coral Restoration Foundation.

We have a ways to go, by the way, before we send these funding measures to the President and they become permanent, but I am hopeful that this year, this Fiscal Year, we will be able to build upon last year's investments.

Working together with partners, our State can ensure visitors and residents alike will have the opportunity to take advantage of world class diving and snorkeling, boating, and fishing. Not just now, but for generations to come.

But despite our best efforts, the reality is these Florida Keys have always been vulnerable to the threat of hurricanes. This remarkable island chain has endured many storms throughout its extraordinary history. The most recent, of course, being the category 4 monster that hit approximately 30 miles from where we sit right now on the 10th of September of 2017. The economic losses to the State were in the tens of billions.

According to Monroe County, I got this right off the website, of the 55,000 housing units in the Keys, nearly 1,200 homes were completely destroyed by that storm, with nearly 3,000 homes suffering major damage. Here in Marathon and in the City of Key West, not a single home escaped unscathed.

As the Chairman of this Committee, one of my chief responsibilities is to provide oversight over the Small Business Administration. The SBA's Office of Disaster Assistance offers disaster loans to small business owners, to non-profit organizations, and to homeowners in declared disaster areas.

In fact, 80 percent of SBA's direct disaster loans are issued to homeowners to replace and repair property. Disaster survivors can apply for personal property loans of up to $40,000 to replace damaged or destroyed personal property; and homeowners may apply for loans of up to $200,000 to repair or restore their homes through the SBA.

Businesses and non-profit organizations can apply for disaster loans of up to $2 million through the SBA after disasters like Irma. Economic injury disaster loans are available to small businesses to serve the purpose of operating funds until the applicant's small business recovers.

Three major hurricanes in 2017, Irma, Harvey, and Maria, accounted for over 145,000 SBA disaster loans processed for $7.4 billion. And while approximately 80 percent of SBA disaster loans are issued to homeowners, many disaster survivors are, understandably, completely unaware that the SBA issues loans to survivors who are not themselves business owners. It is one of the reasons why we believe the SBA needs to do a better job of working with local officials and community leaders to get the word out in declared disaster areas that victims and survivors can access these loans.

According to FEMA, between 40 and 60 percent of small businesses do not reopen after a disaster. And this, frankly, is not just troubling; it is unacceptable. When I—we have talked to owners whose businesses have been damaged or destroyed by disasters, and they tell me the most immediate need they have is for capital. It is a crucial obstacle to rebuilding and to reopening their businesses.

The Florida Small Business Emergency Bridge Loan Program has been very, very successful. But SBA's Express Bridge Loan Pilot Program, I believe, is underutilized and ineffective.

During Hurricane Irma, the Florida Bridge Loan Program received 1,200 applications and processed 883 loans for $35 million. The SBA Express Bridge Loan Program was used less than seven times as of the past summer. That is according to the GAO.

I believe that our State's model for emergency bridge loan funds should serve as an example to other States, and I believe can serve as the example to the SBA of how to improve and enhance its Federal program, and this is a reform that we will be working on.

What this community endured during Irma was tragic. It was destructive. But I want to say that the perseverance and resiliency of the people who call the Keys home was remarkable, unwavering, and for me, unsurprising.

To keep the coastal economy on an upward trajectory over the long term, we all now have to do our part to restore the resiliency of the natural ecosystems upon which our communities here rely. That is why I introduced the Restoring Resilient Reefs Act, joined obviously on that bill by my colleague, Senator Scott, and by our colleagues from the State of Hawaii.

The bill would add to the NOAA coral reef program an explicit focus on coral restoration activities where natural disasters and human activities have degraded reef ecosystems. It also includes directed Federal funding and technical assistance so States and impacted communities can drive priorities and management of coral

reef ecosystems. And, new avenues for the provision of emergency funds to make sure that we have rapid and effective responses to coral reef emergencies, including disease outbreaks, invasive species, coral bleaching, natural disasters, vessel groundings, hazardous spills, and coastal construction accidents.

Since the hurricane made landfall, the county, I believe, has gone above and beyond working with the State and Federal agencies to put back the community's infrastructure. And it is inspiring every time I come back to see more and more of the recovery taking place, the rebuilding taking place, and above all else, the enduring spirit that has brought this treasured corner of Florida back.

The coastal economy has endured, and it will continue to be resilient with our strong efforts to conserve our natural resources, keep our waters clean, and restore our coral reefs. A resilient Keys coastal environment will continue to be an international destination for those seeking world-class fishing, diving, boating, snorkeling, swimming, and I want to add, eating.

[Laughter.]

So anyway—and I am going to do everything I can to make sure of that. It is a place that is very special to me personally. In fact, we were just here last week for a JV football game, and people keep asking me when they saw the film, why is there an ocean next to your field? And I said, because it is Florida, and it is the Florida Keys.

Anyway, we thank you all for being here today. And with that, I want to introduce our witnesses.

Mr. Roman Gastesi is the county administrator. You all know him well. He is responsible for the county's 21 departments. He earned his Bachelor's degree and MBA from the University of Miami and has more than 30 years of work experience in the public and private sectors. And he just, by the way, completed his second term as the Florida Association of County Managers President.

Ms. Stacey Mitchell is the director of marketing for Florida Keys Tourist Development Council. She became the marketing director right after the hurricane struck. Prior to her post as the marketing director, she was the council sales director and has a background in sales working in that department at a local Key West hotel before joining the council. She has lived in Key West for 35 years.

Captain Will Benson, who ironically is the only one with a tie on——

[Laughter.]

We joked about that. He grew up in the Florida Keys. He has lived here his entire life, except for—did I read correctly—a brief stint at a school way up north?

Mr. BENSON. Yes. That's correct.

Chairman RUBIO. Go Gators, not the—who's the other one? That's fine. Whatever. I'm not going to get into that now, but you did it well, nonetheless, sir.

Mr. BENSON. I did well. I earned an academic scholarship to Loyola University in New Orleans in a community that is much like ours, so I drew on some experiences and brought them home.

Chairman RUBIO. Absolutely. Thank you. Thank you so much for being here.

He is a fly fishing guide and film maker through his company, World Angling. And through his small business, he guides customers and clients about 275 days a year. This is your 20th season as a professional guide.

And so, with that, I want to recognize—we will start with you, Mr. Benson. Thank you so much for being here, and I am looking forward to hearing your testimony.

Mr. BENSON. Thank you.

STATEMENT OF WILL BENSON, CEO, WORLD ANGLING, INC.

Mr. BENSON. Senator Rubio, ladies and gentlemen, good morning. My name is Captain Will Benson, and I am a lifetime resident of the Florida Keys. I am a fishing guide, film maker, husband, and father of two children, who are here with me today.

As a young kid, I grew up in a 13-foot aluminum skiff, exploring the waters of the backcountry. As an adult, I own and operate my charter business, World Angling, and guide clients over 200 days a year.

I have been very lucky to grow up in the Florida Keys and consider my occupation a blessing because I do what I love and am passionate about every single day.

This is my 20th season as a professional guide. In the last 20 years, I have witnessed many changes. With only a few exceptions, I have watched as our fishery diminishes, the habitat declines, and the pressure mounts. The success that I have enjoyed as a professional fishing guide has been largely dependent upon the fact that the Florida Keys flats fishery is one of the best in the world.

There is no other fishery quite like that of south Florida and the Florida Keys. It is uniquely situated between the Gulf of Mexico and Atlantic, relatively far from large populations of people, and is the beneficiary of its own geographical isolation, and therefore, rather resilient.

The convergence of freshwater Everglades ecosystem to the grass flats of Florida Bay, out to America's only barrier coral reef, distinguish our fishery as one of the most diverse and unique in the world. I am here today to testify that this remarkable and resilient habitat, that has given our community and my family so much, is hurting.

We have watched for 30 years as the grass has died in Florida Bay. We are currently watching the last remaining parts of our coral reef die from a disease that we don't understand. In the past two years alone, we have witnessed large-scale algae blooms, a devastating hurricane, and continued unsustainable pressure on the environment.

As citizens, we have been asked to invest in a new, cleaner sewage system. As an independent charter fisherman, we have been regulated by individual catch quotas, subject to restrictive to zoning, and affected by pressure from an ever-increasing number of uneducated new voters, jet skis, cruise ships, parasailers, large-capacity ecotour companies, and corporate charter operations designed to dominate Google searches and put guides like me out of business.

We watch every spring season as out-of-state guides and mothership businesses descend on the Keys' waters to profit at the

expense of independent, year-round, local guides, such as myself. For charter fishermen like me, who take up other work in the off season in hopes of keeping their passion for charter fishing alive during the high season, we are at breaking point.

We need leadership to chart a new course to sustainable future.

We need leadership to seriously take up environmental restoration of the Everglades and Florida Bay.

We need leadership to devote more resources to understanding the complex factors driving the decline of our habitat and fishery.

We need leadership to work with groups, like the Lower Keys Guides Association, to develop a licensing program to secure our businesses.

We need leadership from the National Marine Sanctuary to enact a bold, new plan for environment restoration and not draw out the same old, tired game plan for hands-off conservation that has done little to improve our community, except for dividing fishermen from divers and allowing corporate consolidation of the fishing, diving, and ecotour businesses.

We need leadership to embrace the expertise and knowledge of some of the best, most experienced fishing guides anywhere on the planet and partner with them for a sustainable future, not demonize them and label them as the problem.

While fishermen such as me understand that we bear responsibility for our own impact, which—we are watching the health of our habitat, and in turn our fishery, slip away whilst we argue amongst ourselves and watch as excuses are made for do-nothing policies.

But I have hope. As the pressure mounts, the solution is becoming more clear. We need Everglades restoration now. Not tomorrow, not phased in over 16 years, but now. The voters of Florida have already approved funding for mitigation efforts, but little has been done.

We need major support for restorations that are hands-on, like the microfragmenting coral restoration efforts currently underway.

We need bold and even experimental approaches to rehabilitate our fishery.

We need an ecosystem and habitat-based approach to management and regulation.

We need a plan to prepare our community and the businesses that support it for the coming effects of climate change.

All of these things are possible. I know that because I have also witnessed firsthand that, if given the chance, nature can do extraordinary things. Nature's resiliency is amazing. If we can summon the courage to truly address these problems, I am confident that the Florida Keys will remain the very best place in the world to fish, and our passionate, unique coastal community will continue to thrive.

Thank you.

[The prepared statement of Mr. Benson follows:]

Testimony of Mr. Will Benson
October 2, 2019
The Coastal Economy: Opportunities and Challenges in the Florida Keys

Senator Rubio, ladies and gentlemen, good morning my name is Captain Will Benson and I am a lifetime resident of the Florida Keys. I am a fishing guide, filmmaker, husband and father of two children. As a young kid I grew up in a 13 foot aluminum skiff exploring the waters of the back country. As an adult I own and operate my charter business World ANGLING and guide clients approximately 275 days a year. I have been very lucky to grow up in the Florida Keys and consider my occupation a blessing because I do what I love and I'm passionate about it every single day. This is my 20th season as a professional guide. In the last 20 years I have witnessed many changes. With only a few exceptions I have watched as our fishery diminishes, the habitat declines, and the pressure mounts. The success that I have enjoyed as a professional fishing guide has been largely dependent upon the fact that the Florida Keys flats fishery is one of the best in the world.

There is no other fishery quite like that of South Florida and the Florida Keys. The convergence of the freshwater Everglades ecosystem to the grass flats of Florida bay out to America's only barrier Coral reef distinguish our fishery as one of the most diverse and unique in the world. I am here today to testify that this habitat that has given our community and my family so much is hurting. We have watched for 30 years as the grass has died in Florida bay. We are currently watching the last remaining parts of our coral reef die from a disease that we don't understand. In the past two years alone we have witnessed large scale algae blooms, a devastating hurricane and continued unsustainable pressure on the environment. As citizens we have been asked to invest in a new cleaner sewage system. As an independent charter fisherman we have been regulated by individual catch quotas, subject to restrictive zoning, and affected by

pressure from an ever increasing number of uneducated new boaters, jet skis, cruise ships, parasailers, large capacity ecotour companies and corporate charter operations designed to dominate google searches and put guides like me out of business. We watch every spring season as out-of-state guides, and mothership businesses descend on the keys waters to profit at the expense of independent, year-round local guides such as myself. For charter fisherman like me who take up other work in the off-season in hopes of keeping their passion for charter fishing alive during the high season, we are at a breaking point. We need leadership to chart a new course to a sustainable future. We need leadership to seriously take up environmental restoration of the Everglades in Florida bay. We need leadership to devote more resources to understanding the complex factors driving the decline of our habitat and fishery. And we need leadership to work with groups like the lower Keys Guides Association to develop a licensing program to secure our businesses. We need leadership from the National Marine Sanctuary to enact a bold new plan for environmental restoration and not draw out the same old tired game plan for hands-off conservation that has done little to improve our community, except for dividing fishermen from divers and allowing corporate consolidation of the fishing, diving and ecotour businesses. We need leadership to embrace the expertise and knowledge of some of the best most experienced fishing guides anywhere on the planet and partner with them for a sustainable future; not demonize them and label them as the problem. We are watching the health of our fishery slip away while we argue amongst ourselves and watch as excuses are made for do nothing policies.

But I have hope. As the pressure mounts the solution is becoming more clear. We need Everglades restoration now. Not tomorrow, not phased in over 16 years, but now. We need major support for restoration efforts that are hands-on like the micro fragmenting coral

restoration efforts currently underway. We need bold and even experimental approaches to rehabilitate our fishery. We need an ecosystem and habitat-based approach to management and regulation. All of these things are possible today and I know that because I have also witnessed firsthand that if given the chance, nature can do amazing things. Nature's resiliency is amazing. If we can summon the courage to truly address these problems I am confident that the Florida Keys will remain the very best place in the world to fish and our passionate, unique coastal community will continue to thrive.

Thank you.

Chairman RUBIO. Thank you.
Ms. Mitchell.

STATEMENT OF STACEY MITCHELL, DIRECTOR OF MARKETING, MONROE COUNTY TOURIST DEVELOPMENT COUNCIL

Ms. MITCHELL. Good morning. My name is Stacey Mitchell, and I am the marketing director of the Monroe County Tourist Development Council (TDC), which is the county agency that is the destination marketing organization for the Florida Keys and Key West.

The TDC is funded by a portion of the extended sales tax, locally known as a bed tax, that visitors pay when they stay at a Keys lodging establishment. This could be in the form of a hotel, motel, RV resort, guest house, or short-term vacation rental. The bed tax collected funds advertising, public relations, sales, and other tourism marketing initiatives for the Florida Keys.

Another portion of this revenue pays for infrastructure enhancement to the Keys, such as beach maintenance, coral reef restoration, artificial reef construction, cultural projects, special events, and other programs throughout the county. These benefit our residents, as well as our visitors.

As you had mentioned earlier, I have been the marketing director since shortly after Hurricane Irma was an unwelcomed visitor to the Keys in September of 2017. I was the TDC sales director for many years prior to that and have been a member of the Keys tourism community for many years.

During my 35 years of living in Key West, I have raised a daughter, who is now finishing her collegiate life at UCF and will be returning to Monroe County in January with the hopes of starting her career as an elementary school teacher. My mantra is, and always will be, that I am a mother first, a resident second, and a marketer third.

As the tourism director for Monroe County, my responsibilities include organizing and managing our in-house staff of 13, as well as managing contracted advertising, public relations, web, foreign sales agencies of record.

I serve as the primary liaison to the TDC board, including the five district advisory committees and three affinity umbrellas. I also manage a number of financial budgets, and the current fiscal year, beginning October 1, totals $56 million.

There is no doubt that tourism is the top industry in the Florida Keys. The TDC recently conducted a research report on the economic impacts of tourism to our local economy, and the results include:

Tourism is responsible for 44 percent of all of Monroe County jobs.

Last calendar year, the total economic impact generated by visitors to the Florida Keys represented approximately 54 percent of Monroe County's private sector gross domestic product.

Approximately 40 cents of each visitor dollar went towards paying Monroe County workers a total of $940 million in wages and salaries.

Over $1.8 billion was retained in the county economy, providing an array of businesses with revenue, supporting jobs for county citizens, and producing revenue for State and local governments.

Keys tourism contributed nearly $255 million in tax revenue to State and local coffers. Another $43 million was raised from taxes, such as the bed tax, rental car fees, and other licenses and fees.

In 2018, sales taxes paid by visitors to Monroe County made up nearly 57 percent of State and local tax receipts that can be attributed to tourism.

Hurricanes obviously have a profound impact on tourism flow to the destination, and a direct hit, such as Irma, is not even necessary to feel those effects.

As an example, 1992's Hurricane Andrew, which devastated southern Miami-Dade County. I was the acting manager on duty for the Reach Resort. That is a property located in Key West. Misperceptions caused by erroneous news reports—and this is before social media—made it seem that the Keys were also severely impacted by Andrew, which was not the case. It took more than three months to correct that misperception in domestic and international travel marketplaces.

As far as Irma is concerned, the cat 4 storm had a profound impact on tourism for more than a year, and in some instances, even continues. The Keys did not formally welcome back visitors until October 1st, 2017. But even then, most oceanside hotels in Islamorada, Marathon, and the Lower Keys required anywhere from 6 months to a year to complete repairs and reopen. Two properties in the Lower Keys—the Little Palm Island resort and the KOA RV resort—still have not reopened, though we anticipate both to be back online by next year.

In October of 2017, only 50 percent of Keys lodging inventory was available to accommodate visitors, residents, or recovery workers. A year later, that number rose to almost 95 percent. Currently, 97 percent of the Keys accommodations are back online, including some new build properties, such as the Isla Bella in Marathon, which opened in April of this year.

Shortly after the storm, those lodging units that could operate were able to minimize losses by providing accommodations to recovery personnel, but it was tourism service providers, such as fishing and dive charters, as well as other attractions, that suffered even more because recovery workers are not traditional visitors and do not engage in visitor activities.

Many of my friends who work as backcountry guides had to take work in other fields to make ends meet before they could convince their customers that it was okay to not only travel to the Keys, but also that the infrastructure was intact for them to have a satisfying experience. Other operators lost their boats, their traps, accessibility to a marina, or other types of equipment essential to their line of work.

Beyond physical recovery from hurricane impacts, image recovery can often be challenging. Social and mainstream media coverage of storms can often be extremely narrow in focus. In the case of Irma and the Florida Keys, the broad-brush reporting that the entire Keys had been devastated took almost two years to correct in the minds of many travelers. The work of the TDC, using emergency

marketing reserves, as well as planned programs, while interfacing with the private industry, helped to eventually correct these misperceptions.

We were also caught in a balancing act. Those businesses who suffered little damage needed the injection of visitor revenue in order to maintain payroll, but then many of those employed in the industry did not have a dwelling to return to. It is very difficult to work in the hospitality industry by day, ensuring that our guests have a memorable vacation, while living in a hotel or temporary housing and arguing with adjusters, inspectors, and insurance agents.

I recently wrote to my board that we need two quiet hurricane seasons to gain the confidence of potential visitors to plan a vacation to our area during the timeframe of late August to mid-October. Locally, we call this a hurricane hangover.

Sadly, we saw the quick reaction from confirmed and potential visitors over this Labor Day weekend when Dorian was making her presence known in the Atlantic Basin. The month of September has been significantly slower than the last average September—and we go back to 2016—and the threat of a storm reinforced the consumers' hesitation to travel to a tropical destination during the height of hurricane season.

Several locally based business owners have told me they will close for the month of September next year as it wasn't worth it for them to maintain payroll and other operating expenses for the significant drop in business they have experienced during the month of September.

Just the idea of a storm brewing out there has significant effects on the visitor psyche. And with a direct hit in recent memory, our revenue collections continue to feel those impacts.

There are two takeaways from Irma that may be of help to tourism destinations down the road. The first is to ensure that Federal officials have facts correct from local officials prior to speaking to mainstream media and posting on social media.

Several days after Irma passed through the Keys, a high-level FEMA official reported that 90 percent of the residences in the Keys had either been destroyed or seriously damaged. That figure differed vastly from the actual preliminary number that Keys officials had determined.

Two days after Irma passed through, a Department of Defense press release reported that U.S. Navy ships were headed to Key West to evacuate 10,000 people because there was no drinking water. Key West officials knew nothing of that plan, and it was never executed.

Media reported both stories cited above and significantly exacerbated destination perception challenges for the entire Florida Keys.

It would be helpful to note if FEMA could consider communicating the viability of the destination as soon as infrastructure is restored and is appropriate. There are many on-air opportunities to relay messaging, and hearing it from a FEMA official, or as a partnership between FEMA and local officials, has more validity and portrays confidence in the stability of the region.

It should be noted that the Monroe County Tourist Development Council takes hurricane safety very seriously. Since 1998, we pio-

neered a proactive working relationship with Monroe County Emergency Management to help communicate hurricane-related protective actions to visitors within the destination, as well as those planning to travel to the Keys.

The programs that involved were groundbreaking, and in 2004 and 2005, we received a public education awareness award from the National Hurricane and Florida Governor's conference—sorry—the Florida Governor's Hurricane conferences, respectively.

The initiative demonstrates that the Keys tourism industry wants to ensure that visitors understand that their safety is paramount, and that they should be comfortable traveling to the island chain during the Atlantic Basin hurricane season.

Thank you very much.

[The prepared statement of Ms. Mitchell follows:]

Stacey Mitchell, Marketing Director
Monroe County Tourist Development Council

Introduction

Good morning Senator Rubio, other officials and Keys residents.
My name is Stacey Mitchell. I am the Marketing Director of the Monroe County Tourist Development Council, the county agency that is the destination marketing organization for the Florida Keys and Key West.

The TDC is funded by a portion of the extended sales tax that visitors pay when they stay at a Florida Keys lodging establishment; whether it is a hotel, motel, R/V resort, guesthouse or vacation rental. The collected money, known commonly as a bed tax or resort tax, funds advertising, public relations, sales and other tourism marketing programs for the Florida Keys. Another portion of the revenue pays for infrastructure enhancements to the Keys such as beach maintenance, coral reef restoration, artificial reef construction, cultural projects, special events and other programs. These benefit our residents as well as tourists.

I have been the marketing director since shortly after Hurricane Irma was an unwelcome visitor to the Keys in September 2017. But I was the TDC's sales director for many years prior to that and worked in sales for a Key West hotel before coming onboard with the TDC. During my 35 years of living in Key West, I have raised a daughter who is now finishing her collegiate life at UCF and will be returning to Monroe County to start a career as an elementary school teacher. My mantra is: I am a mother first, a resident second and a marketer third.

As the tourism director for Monroe County, my responsibilities include organizing and managing our in-house staff of 13 as well contracted advertising, public relations, web and foreign sales agencies of record. I also serve as the primary liaison to the TDC board, five district advisory committees and three affinity umbrellas. I also manage a number of financial budgets, which in the current fiscal year total $56.4m.

Importance of Tourism to the Florida Keys Economy

There is no question that tourism is the top industry in the Florida Keys.
Here are a few facts from TDC's most recent research provided by Rockport Analytics based on 2018 numbers.

- Tourism is responsible for 44 percent of all Monroe County jobs.
- In 2018, the total economic impact generated by visitors to the Florida Keys represented approximately 54 percent of Monroe County's private sector gross domestic product.
- About 40 cents of each visitor dollar went towards paying Monroe County workers a total of $940 million in wages and salaries.
- Over $1.8 billion was retained in the Monroe County economy, providing an array of businesses with revenue, supporting jobs for county citizens and producing revenue for state and local governments.
- Keys tourism contributed nearly $255 million in tax revenue to state and local coffers in 2018.
- Another $43 million was raised from taxes such as hotel taxes, rental car fees, and other licenses and fees
- In 2018, sales taxes paid by visitors to Monroe County made up nearly 57 percent of state and local tax receipts that were attributed to tourism.

How storms such as Irma impact our area and for how long.

Hurricanes can have a profound impact on tourism flow to the Florida Keys and a direct hit is not even necessary.

An example is 1992's Hurricane Andrew which devastated southern Miami-Dade County. I was the acting 'manager on duty' for the Reach Resort. Misperceptions, caused by erroneous news reports made it seem that the Keys were also severely impacted by Andrew, which was not the case. It took more than three months to correct that misperception in domestic and international travel marketplaces.

As far as Irma was concerned, the Category 4 storm had a profound impact on tourism for more than year after it blew through the island chain on September 10, 2017.

The Keys did not formally welcome back visitors until October 1, 2017, but even then, most oceanside hotels in Islamorada, Marathon and the Lower Keys required anywhere from six months to a year to complete repairs and reopen. Two properties in the Lower Keys — Little Palm Island and KOA R/V Resort — still have not reopened, though both are expected to be back online by next year.

In October 2017, only 57 percent of the Keys lodging inventory was able to accommodate visitors. A year later, that number rose to almost 95 percent. Currently, 97 percent of Keys accommodations are back online including some new properties, such as Isla Bella in Marathon, which opened in April of this year.

Shortly after the storm, those lodging units that could operate were able to minimize losses by providing accommodations to recovery personnel, but it was tourism service providers such as fishing and dive charters, as well as other attractions that suffered even more because recovery workers are not traditional visitors and do not engage in visitor activities. Many of my friends who work as backcountry guides had to take work in other fields to make ends meet before they could convince their customers that it was ok to not only travel to the Keys, but also that the infrastructure was intact for them to have a satisfying experience. Other operators lost their boats, their traps and other types of equipment essential to their line of work.

Trickle-down economics of such storms and for how long.

Beyond physical recovery from hurricane impacts, image recovery can often be challenging. Social and mainstream media coverage of storms can often be extremely narrow in focus. In the case of Irma and the Keys, the broad-brush reporting that the entire Keys had been devastated took almost two years to correct in the minds of many travelers. The work of the TDC, using emergency marketing reserves as well as planned programs, while interfacing with the private industry, helped to eventually correct misperceptions. We were also caught in a balancing act: those businesses who suffered little damage needed the injection of visitor revenue in order to maintain payroll, but then many of those employed in the industry did not have a dwelling to return to. It is very difficult to work in the hospitality industry by day, ensuring that our guests have a memorable vacation, while living in a hotel or temporary housing and arguing with adjustors, inspectors and insurance agents.

I recently wrote to my board that we would need two quiet hurricane seasons to gain the confidence of potential visitors to plan a vacation to our area during the time frame of late August to mid-October. Locally we call this a 'hurricane hangover'. Sadly, we saw the quick reaction from confirmed and potential visitors over Labor Day

weekend when Dorian was making her presence known in the Atlantic Basin. The month of September has been significantly slower than the last 'average' September (2016) and the threat of a storm reinforced the consumer's hesitation to travel to a tropical destination during the height of hurricane season.

Several locally based business owners have told me they will close for the month of September next year as it wasn't worth it for them to maintain payroll and other operating expenses for the significant drop in business they have experienced during the month of September.

Just the idea of a 'storm brewing out there' has significant effects on the visitors psyche, and with a direct hit in recent memory, our revenue collections continue to feel those impacts.

How can the federal government assist in a quicker recovery?

There are two takeaways from Irma that may be of help to tourism destinations down the road.

The first is to ensure that federal officials have facts correct from local officials prior to speaking to mainstream media and posting on social media.

Several days after Irma passed through the Keys, a high-level Federal Emergency Management Administration official reported that 90 percent of the residences in the Keys had either been destroyed or seriously damaged. That figure differed vastly from the actual preliminary number that Keys officials had determined.

And two days after Irma passed through, a Department of Defense press release reported that U.S. Navy ships were headed to Key West to evacuate 10,000 people because there was no drinking water. Key West officials knew nothing of that plan and it was never executed.

Media reported both stories cited above and significantly exacerbated destination perception challenges for the entire Florida Keys.

Finally, it would be helpful to know if FEMA could consider communicating the viability of the destination as soon as infrastructure is restored and is appropriate. There are many on-air opportunities to relay the appropriate message and hearing it from a FEMA official or as a partnership between FEMA and the tourism office has more validity and portrays confidence in the stability of the region.

Hurricane Safety for Visitors

It should be noted that the Monroe County Tourist Development Council takes hurricane safety very seriously. In 1998, the TDC pioneered a proactive working relationship with Monroe County Emergency Management to help communicate hurricane-related protective actions to visitors within the destination as well as those planning to travel to the Keys.

The programs that evolved were groundbreaking, and in 2004 and 2005 the TDC received public education/awareness awards from the National Hurricane and Florida Governor's Hurricane conferences, respectively. The honors were the first ever bestowed on a destination marketing office, and Keys efforts have served as a model for other tourism programs throughout Florida and the Caribbean.

The initiative demonstrates that the Keys tourism industry wants to ensure that visitors understand that their safety is paramount and that they should be comfortable traveling to the island chain during the Atlantic Basin Hurricane Season.

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Chairman RUBIO. Thank you.
Mr. Gustesi.

STATEMENT OF ROMAN GASTESI, COUNTY ADMINISTRATOR, MONROE COUNTY, FLORIDA

Mr. GASTESI. Senator Rubio, I am Roman Gastesi, the county administrator for Monroe County, probably the best job in the State of Florida.

Thank you for this opportunity. Apparently, we share the same speech writer, so I am going to move way into my speech here because you covered a lot of the things that I was going to cover, which is great.

We are cognizant of the serious challenges posed on us by sea level rise, so I have put together a little presentation, if you will. I think you have a copy of it, and there are a bunch of them back there. If anybody doesn't have them, just share with your neighbors.

The first thing is, it shows the Key West tide gauge that we have down there, and it has been down there for over 100 years. It was put there by the USGS, and you can see the data. That is real empirical data on the left there. It looks like the stock market going up. It has a trend of going up, and it has gone up about 9 inches in the last 100 years.

You flip the page, Senator, and then you take that same squiggly line—you see it down at the bottom. And then there has been many projections done by various entities. We have taken the average of those projections, and we estimate that in the next 50 years, the sea level rise will be between 9 inches and 24 inches. This is important because, as we plan moving forward, and as we want to get our economy going, and we want to improve our infrastructure, we have to plan accordingly.

So, you flip the page, sir, and you will see there that the Stock Island fire station that we built a few years ago, we went ahead and raised it 2 feet. To raise it 2 feet cost us between $75,000 and $100,000. This is a $4 million station, so it makes sense to go ahead and raise it.

Flip the page again and you will see that there is Bernstein Park on Stock Island. We also raised that. We just built that last year. We went ahead and raised it in preparation for sea level rise and adaptation policies.

Also, the private sector is taking note. And there is a picture there—I apologize, it is a little crude. That is a house that is being raised in Key West. This is starting to happen more and more in the Keys, folks responding to the sea level rise and things that are going on and going ahead and raising their houses to save on insurance premiums.

This past week, of course, we have had the King Tides. Flip the pages and there are some pictures just this week of all over the Keys. This is up and down the Keys, the Lower Keys and Upper Keys, and we are starting to see the effects of these King Tides. All of south Florida is. I am sure you have heard about that.

So, what are we doing about it? Well, the Corps of Engineers—I flipped the page again here. I am on the feasibility study page of the Florida Keys. They are doing a 3-year study of the U.S. 1

corridor. They are spending $3 million, and they are using public involvement and stakeholder process, and hopefully they will come up with a list of projects and construction recommendations that will help minimize the effects of sea level rise throughout the Keys. That is the U.S. 1 corridor.

Well, there is another 300 or so roads, so you flip the page and we talk about Monroe County roads vulnerability analysis and capital plan, which is basically the same thing for the county and the municipalities. So, we will know in a few years what we are up for—what we are up against and how much it is going to cost, and we just simply cannot bear it alone.

So, we have also included something called the Green Keys, which is the next page. We are the first county in the 67 counties of the State of Florida that included vulnerability analysis, sustainability, in our comprehensive plan. So, we are very proud of that and we are moving forward, starting to get ahead of it.

The last page is more of an invitation for you and your staff. We do have a four-county compact. We have been doing this for about 11 years now with the three counties to our north, and we rotate the conference every year, this summit. This year it is going to be down in Key West, and we invite you and everybody that is listening to attend. It is a very good conference.

Let me get back to my comments.

A couple other things that you are very aware of that have not been touched upon and are critical to the Keys is the National Flood Insurance Program. We very much appreciate your leadership and the authorization, and your recognition that the NFIP flood insurance premiums must remain affordable with a predictable and responsible glide path of annual increases.

A lot has been covered here already, my comments, so in closing, I am just going to say thank you again for hosting this hearing. You and your staff helped us fight all these improvements and all, being a strong advocate for Florida. We appreciate it and look forward to answering any questions you might have.

[The prepared statement of Roman Gastesi follows:]

Testimony for the U.S. Senate Committee on Small Business and Entrepreneurship

Florida's Coastal Economy: Opportunities and Challenges in the Florida Keys

October 4, 2019
Marathon, Florida

Roman Gastesi, County Administrator
Monroe County, Florida

Senator Rubio, thank you for the opportunity to be with you today to discuss some challenges facing our coastal economy in the Florida Keys and Monroe County. We appreciate your attention to so many of the issues I'm going to mention today that directly impact our coast and by extension, our economy in the Keys. As you know well, the Keys are valuable environmental and economic assets to the State of Florida and the nation.

Monroe County's coastline extends from the Everglades to the Dry Tortugas, and includes three National Parks (Everglades, Dry Tortugas and Biscayne), four National Wildlife Refuges, five State Parks, and three State Aquatic Preserves. Our island chain is nestled in the waters of the Florida Keys National Marine Sanctuary, home to the only living coral reef in the continental United States, and the largest seagrass meadows in the western hemisphere.

Our unique ecosystem supports an unparalleled biodiversity of fish, animal and plant species. The Florida Keys is the most valuable commercial fishing port in Florida, the 4th most valuable in the Gulf of Mexico, and the 17th most valuable in the entire nation. Meanwhile, our recreational fishing industry was valued at over $810 million last year.

Thanks to this remarkable ecosystem, our small county of about 77,000 permanent residents is an economic engine for Florida. We host over 5 million visitors a year, steward a $4.8 billion tourist-based economy, and generate over $215 million in annual sales tax revenues for the state of Florida.

While our good fortune abounds, we are no strangers to immense challenges. We are a chain of islands, connected by 42 bridges and a single highway for ingress and egress. We are bounded by unique growth restrictions, and experience the highest cost of living in the State. Our roads, airports, and water systems must be constructed to accommodate millions of tourists annually. We sit in "hurricane alley," inches above sea level, confronting the reality of more frequent severe weather and rising sea levels. Pristine waters and a healthy and vibrant marine ecosystem are the lifeblood of our community and our economy, and so perennial – and significant – investment must be made to restore and protect the quality of our nearshore waters.

Two such examples of major water quality investments include the Florida Keys Water Quality Improvement Project – also known as FKWQIP – and canal restoration projects. FKWQIP is a partnership with our local cities, wastewater districts, the state of Florida, and the Army Corps of Engineers to convert the old septic system infrastructure throughout the entire Keys to an advanced treatment centralized sewer system. This project – scheduled to be complete this year – is a $1 billion investment in our community, 85 percent of which is borne by our local ratepayers and businesses that has demonstrably improved our

nearshore water quality. We appreciate the support of the State, which has contributed a bit more than $100 million towards the project as well as the Corps of Engineers, which has provided about $50 million through Congress' support of their environmental infrastructure, or Section 219 programs. Thank you, Senator Rubio for your support of the FKWQIP program and the Corps.

With respect to our canal restoration initiatives, we have determined that about 300 of our canals throughout the Florida Keys have poor water quality and impact the nearshore waters of the National Marine Sanctuary. We have developed a multi-faceted, diverse approach to the restoration of the canals, including locally-funded pilot programs to determine best technologies and practices to restore the health of the canals, committing all of our RESTORE Act funding – about $20 million – to canal restoration and water quality, utilizing a recent partnership with the Natural Resources Conservation Service to assist with marine debris removal after Hurricane Irma, and securing State Stewardship Act funding on an annual basis to help with canal water quality restoration. These projects are also having a demonstrable benefit on our quality of life and the health of the nearshore marine ecosystem, and we especially appreciate your attention to supporting our work with the NRCS.

A significant part of the Keys marine environment includes the Florida Bay, whose economic impact alone is estimated to be more than $450 million annually. As the southernmost part of the Everglades National Park, the Bay – and its abundant marine life and sea grass meadows – depend upon healthy freshwater flows through the central Everglades. Enhancing these freshwater flows is a critical component of the Comprehensive Everglades Restoration Plan, and so we appreciate your strong support of Everglades restoration. The Administration's boost in funding proposed for Fiscal Year 2020 for Everglades restoration, in no small part due to your continued focus on the importance of the program, hopefully can be sustained well into the future so we truly restore this national treasure, while also delivering significant water quality benefits downstream to Florida Bay and the Keys.

Regarding our coral reefs, which also depend on clean water and which help sustain our fishing, diving, and other tourism economies, we appreciate your leadership in developing and introducing S. 2429, the Restoring Resilient Reefs Act. Coral reef protection and restoration is of utmost importance to Monroe County. The Florida Keys' coral reef is part of one of the most unique marine ecosystems in the world. It is not only a national environmental treasure, it is also an important economic driver. Reauthorization of the Coral Reef Conservation Act via your new legislation will ensure that Monroe County's coral reef continues to receive the funding and attention it deserves. Thank you for your attention to this critical issue.

Meanwhile, Monroe County is cognizant of the serious challenges posed by hurricanes, climate change and sea level rise. We are responding to the warning bells: serious sea level rise projections, King Tide flooding, routine nuisance flooding, higher and more common storm surge, stronger hurricanes, new flood maps with more flood zones, and a new risk rating system for flood insurance. We are responsibly and thoughtfully preparing to meet those challenges on behalf our residents and business community. There is a lot of work to be done to make our built environment – our homes, roads, bridges, storm water systems, facilities, and other assets – more resilient and less vulnerable to expected changes. We have begun to take steps.

For example, the County's *Green Keys Resilience And Sustainability Plan*, finalized and approved by the Board of County Commissioners in 2016 includes 165 recommendations in a 5 Year Work Plan that has served as a guide for the County's response. Working from this set of Green Keys Plan recommendations, we have begun a number of efforts to secure better elevation data, conduct vulnerability assessments, develop criteria for Adaptation Action Areas, design and implement two Road Elevation Pilot projects, and develop a roads elevation plan for the 300 miles of county-maintained roads.

Yet another related initiative underway is the *Florida Keys Coastal Storm Risk Management Feasibility Study*, conducted in partnership with the Army Corps of Engineers that will include a focus on the flood risk vulnerability of US Highway 1 and shorelines, and potential solutions for mitigating risks from storm impacts.

We appreciate your focus on adaptation, resiliency and risk reduction, and would appreciate the opportunity to talk with you further about resiliency plans to elevate roads and to use federal Community Development Block Grant funding provided by Congress after disasters to elevate homes and harden infrastructure.

Another important federal program critical to the Keys' future is the National Flood Insurance Program. Several years ago, we sought to improve our standing in FEMA's *Community Rating System* (CRS). Improvements in our CRS ranking result in direct annual discounts to flood insurance premiums for constituents insured through the National Flood Insurance Program (NFIP) because the pre-disaster mitigation efforts espoused by the CRS program result in less loss burden to the program in future storms. To date, we have moved the County from a Class 10 to a Class 5, with a 25 percent discount on flood insurance premiums, resulting in a $5 million direct annual savings for our constituents. Initiatives funded in this year's budget will move us from a Class 5 to a Class 4, resulting in a 30 percent total discount -- an *additional* $1 million a year in savings for residents of the County. To date, these efforts will have cumulatively saved those in the County with NFIP flood insurance nearly $14 million in premiums.

Even with significant CRS discounts, flood insurance affordability is a major concern for our home and commercial property owners and is critical to maintaining our economy. Monroe County has over 30,000 flood insurance policyholders and over $7 billion in insured value in the National Flood Insurance Program. It is a very real pocketbook issue for most of our property owners and worsens overall housing affordability. As Congress and FEMA continue to try to move the program to risk-based premium rates, with new flood maps on the horizon that will account for storm surge and wave action, and Risk Rating 2.0, we will continue to see upward pressures on our constituents' premiums.

Senator Rubio, we very much appreciate your leadership on NFIP reauthorization, and your recognition that NFIP flood insurance premiums must remain affordable, with a predictable and responsible glide path of annual increases. We also appreciate your support for significant mitigation funding that will help local coastal communities like Monroe County in our efforts to reduce future risk and become more resilient.

In the face of ever-stronger storms, the County is profoundly mindful of its obligation to not only protect its people and property, but to ensure financial resilience and disaster recovery capability. To enhance this capability, we have invested in sufficient disaster reserves, technology and communication capacity, and the highest level of emergency preparedness, including the design and construction of a new, safe, and survivable Emergency Operation Center.

As you can see, Monroe County faces significant challenges as a coastal community, and is actively investing in strategies to adapt and mitigate against future coastal risks, protect our coastal economy, including the health of our waters and broader environment, and to protect both property and the people: homeowners, commercial property owners, vulnerable populations, and our workforce.

As we prepare to meet future challenges, coastal communities like Monroe must do our part locally, but we must also be able to continue to count on the federal government to be an engaged partner. We look forward to continuing to discuss this with you in the future.

Senator Rubio, thank you again for hosting this hearing. You and your staff, including Wes Brooks and Eleni Valanos that we work closely with on these types of issues, help us fight for all these improvements and are a strong advocate for Florida. We appreciate it. I look forward to answering any questions you may have.

Chairman RUBIO. Thank you. Let me—the reason I was asking a question here was because on the—I just want to talk about the graph, the Army Corps——

Mr. GASTESI. Right.

Chairman RUBIO [continuing]. Feasibility study. Layered over that, or on top of it, is a broader study of the entire south Atlantic region that extends all the way through Mississippi and up the east coast.

The exact same issue, and the goal—and it was our project that we got done——

Mr. GASTESI. Sure.

Chairman RUBIO [continuing]. And we want to get the numbers back by hopefully 2022, correct?

And the hope of that is exactly what you have outlined here. You focused on the study that specifically focused on the Florida Keys. We are actually trying to map that through the entire region because on the sustainability and mitigation and adaptation side, we want to be driven by data. Right?

Mr. GASTESI. Exactly.

Chairman RUBIO. So we want to know where are the best places to spend the money, what should get priority, who should go first in terms of the order of impact.

And right now, while there are some of these multi-county compacts, this honestly is an issue that extends all the way up the coastline. And so there are going to be infrastructure dollars spent in the years to come to address this, including at Federal facilities, some of which are critical to National security or other Federal priorities. And it has to be driven by data, not just who has the most senior member of Congress on the Appropriations Committee that can drive money to this, that, or to the other.

And, so, our goal was to establish sort of definitive data that would help us to make that decision, and so I am curious, as we engage with the Corps, how—what they are doing specifically for Monroe County, whether that is feeding into the broader study, as well, or whether we are duplicating data.

Mr. GASTESI. No, we are working with them directly. The first thing was to get good elevation data and get something called LIDAR and bring it down—the risk now is only 1 or 2 inches as far as what the risk—it used to be 6 or 7 inches. That can make a big difference. So, we are working with them directly. They come in with—they even use our office space. We welcome them. Believe me. We are working with them.

Chairman RUBIO. My question is more for them. I want to make sure that whatever they have gained from your study that they are also applying that to the other one.

Mr. GASTESI. Yes. It will share——

Chairman RUBIO. So that we do not have two different sets of data.

Mr. GASTESI. Correct.

Chairman RUBIO. But, you know, we want everyone to know that this is something that we have looked at beyond just Monroe County, but throughout—there is going to be a Federal competition for these dollars.

Mr. GASTESI. Sure.

Chairman RUBIO. We want to prioritize it to the best places possible, so that is a—it is good that that is moving forward. Obviously, we would love to have the results today, but certainly, you know, these things take time. How many years are you guys into yours?

Mr. GASTESI. We just started ours, too.

Chairman RUBIO. So you have two more, so you are going to end up around the same time.

Mr. GASTESI. That is the whole—that is the idea, to end up at the same time, yes, sir.

Chairman RUBIO. Okay. Perfect. Let me——

I want to start with Captain Benson on the—you know, you discussed the water issues, and we often—when we discuss the issues you have outlined, and as I pointed out in my opening statement, these are not simply environmental or ecological issues. They have a direct application to our economies, an extraordinary amount of economic activity that depends upon access to the natural environment.

And I would—I wanted to ask you what are the priorities, but I want to break out into three areas. The one we just discussed was just the sustainability efforts, because ultimately the roads are—facilities are not safe or you cannot even get them insured, so you cannot build them or operate them because of the threat of sea level rise or whatever else is impacting it. And so we have talked about that.

On the ecosystem side, obviously we have unique threats with regards to coral reefs, which is why I mentioned that. And we continue to drive what we hope will be both research—because some of it requires innovative solution, whether it is the implantation of coral reefs that are resistant to some of these diseases that we know about, what we can do about it.

But this is a critical situation that we are trying to drive research dollars, as well as operational dollars that they can move on quickly. And as I said, I mentioned earlier, folks are here from Mote Marine. We were out there—was it 6 months ago—and saw some of the things they have been working on, along with others that are involved in this effort.

And the third you mentioned—I am glad you did because a lot of times people do not connect it—is the Everglades restoration. A lot of people, Everglades is something that is up north. It has to do with the—and it has all sorts of impacts on the canals to the east and west coast and so forth.

And I—the challenge with that has been, you know, predating my time, is that there has not been consistency in the Federal commitment to it in terms of funding, and so keeping it on track. We really made that a priority over the last few years.

But I thought this year the most important thing that happened was getting the President's budget to reflect the full funding for this given year, and that was a big win because, in the absence, that almost sets the—it sets the ceiling in some cases, but most certainly it sets the floor on the funding.

So the President comes in at 80 percent of what we need for this given year. We are not going to get 100. We may get to 90, we may get to 85. And so getting them to put in their budget—they went

back and changed the President's budget to reflect the full amount. It was a big deal.

Now we have to do it—we have to get it done because right now we are not operating on an Appropriations bill. We are operating on a continuing resolution, which is just continuing last year's funding levels. That is why these Appropriations bills are so important.

It is not just a bunch of policy wonks sitting around, upset that we did not pass a piece of paper. You cannot program continuing money, the continuing resolutions. You need to have budget certainty from year in and year out. And that is why getting that Appropriations bill passed is such a big deal, because we do not just have to do it this year. We have to do it next year, and the year after that, and the year after that.

I share your impatience about getting these things done. And every now and then, we get bits of good news. The Governor announced yesterday that some of the lands we need just further north are going to become available earlier than they thought it would on a deal that they cut with one of the agriculture companies.

But some of these projects cannot start until we finish the one before it because they are linked. Others, frankly, the engineering work, the—but it has to start happening. And it is one of those things that you will see improvement as these projects come online.

But our biggest frustration has been the consistency of the funding: the stop, the start, the stop, the start. The inability to have it year in, year out has been a big, big problem.

But now it is impacting the whole State. I mean, it is dealing with—every part of the State you can imagine has been impacted by it. And obviously the flow of more water down towards Florida Bay is a critical part of it.

Those three items: the water management, the ecosystem—which by the way is a statewide issue. I mean, we have a seagrass disaster in Biscayne Bay that we are trying to get a handle of and trying to push some money towards that, as well. The fisheries, getting good data on fishery and management, and so forth, because that is also deeply disruptive.

Sustainability, the ecosystem, the water management are the—what else are we missing? Are those the key areas that you think are important for the future of the industry?

Mr. BENSON. Well, I am sure that we are missing something because you cannot just outline the most complicated socioeconomic environmental problem on the planet in three bullet points, and we know that.

It is—everything that you just spoke to are absolutely key priorities to it, but I would add just—and I am no expert at this, but I believe that in order to chart a pathway forward to real restoration, it involves all members of the community coming together. And that includes, you know, fishermen down here, but also, you know, business leaders who are, you know, working in the State of Florida in the agricultural communities to, you know, work with us instead of against us towards getting some of these solutions.

We all share in this. We all depend on the economy here in south Florida to be vibrant and for, you know, the tourism and the fish-

eries to be, you know, sustainable. And so, as we look to the future, we have to stop, you know, being partisan or being on opposite sides and start thinking creatively on how we can work together.

And I would just add to one of the things as we consider moving forward, you know, we really, I think, need to get bold and creative and experimental in certain ways to maybe add to that dataset that you spoke to that can guide some of the decision making that we have.

I would like to see, you know, councils come together where we can bring, you know, the professional expertise of fishermen, the professional expertise of scientists, business leaders, you know, community representatives, together to think boldly and creatively on how we can get hands-on with the habitat-based ecosystem approach and potentially solve some of these problems.

I think the coral microfragmenting that we are seeing right now is a beautiful example of that. That is a really amazing, cutting-edge thing that, you know, because of some of the research that they were doing, it has now provided an opportunity to be optimistic and to be hopeful. And we can now start charting a pathway with directing dollars towards those efforts.

But there are others out there—sponges, you know, sea fans, the backcountry coral reef that died so long ago that people forget about it.

You know, when I was a kid, off of Marvin Key and some of these backcountry areas, there was a reef there, as well, and nobody talks about it anymore because we are concentrated on, you know, the last remaining reef that is out there on the oceanside.

But this passed away 20, 30 years ago. It was amazing habitat that held a lot of fish and was an incredibly important part of, you know, this entire ecosystem. And we have forgotten about that.

I would like to get historical knowledge from captains, to sit down and paint a vivid picture of what it looked like so that we don't forget, and we understand how the ecosystem works, and we can bring these folks together and start taking bold, experimental approaches to unlock some of the mysteries. Just like coral microfragmenting had that can, you know, provide opportunities for us to, you know, take on this challenge in an aggressive way.

Chairman RUBIO. And that is a good point because, just going back to the Army Corps, all they are looking at is engineering. Right? Where is the sea level going to rise the highest in comparison to where we have infrastructure, homes, and so forth.

The issues that you point to are on the scientific innovation side. And right now, we are sort of in a disaster response. Something bad happens; we respond to it by pushing dollars toward research.

What I think you would want to see is operationalize it so that the solution to one problem creates an opening to solve a—or prevent a future problem. Sort of systemize that in a way so that you are not just responding to problems, but you are actually beginning to foresee them before they happen.

And maybe even, you know, it is just like—maybe it is a terrible analogy, but sometimes in pharmaceuticals, they say, oh, this medicine does not actually cure that, but by the way, we found out it cures something else. And so the ability to apply it that way. And I do think that is going to take a lot more creative thinking.

Mr. BENSON. That is correct. And I would point to, just so you know, some little piece of—just currently, what is happening right here in south Florida, is we have made progress with, you know, restricting some of the longlining for sharks, for instance, right? And now the sharks have come back, and it is a robust population of sharks. So we are experiencing a new form of pressure, which is predation on some of the fish that we were fishing for, and now we do not know what to do about that.

So we need experimental kind of thinking and approaches with regards to, you know, shark repellant technology and what can—how can we adapt, as fishermen, and, you know, buy into the conservation and buy into the advancements that we are making, but also prepare, you know, to—for unforeseen challenges that we are experiencing. And this is happening right now, today.

Chairman RUBIO. And just for Ms. Mitchell's purposes, this thing about the sharks are back, we are not going to put that on the brochures.

[Laughter.]

Ms. MITCHELL. Thank you.

Chairman RUBIO. Because ecologically, that is good news. People are going to misunderstand.

Let me ask about that first. Ms. Mitchell, you raised a really good point, and that is the information flow that goes out. We are going through that right now, by the way, with the Bahamas. Right?

So, one of my biggest things is—let me ask you. What is the worst thing that could happen to the Bahamas right now? And I said the worst thing that could happen to the Bahamas right now is that people cancel their weddings and their conventions and their vacations for November on an island that was not impacted.

So, really—and it is a balancing act. Right? And this is not to be critical, but the fact of the matter is that we know that what draws ratings and news coverage is bad news. I mean, things that are—and we do not want to belittle it either, because part of it is necessary.

I mean, one of the challenges we are having in northwest Florida is there is no national news coverage. They are still recovering from a storm that hit just over a year ago. The attention has moved to somewhere else.

So there is a balance between giving people accurate information about how bad things are—because it helps you get the money and the disaster funds and the attention—and overstating it to the point where it has these sort of unintended consequences.

I do not think anybody deliberately went out and said things are terrible down there, but we have gotten into the cycle that we have. It is a really good suggestion. It was not even part of what our thinking was about. It is sort of systemizing how attention gets out there post-storm. Especially in areas that are critical, for which visitors and tourism are a key part of the industry. You can foresee where people that have something scheduled six months from now may decide to cancel that very day if they are hearing that 90 percent of the facilities have been completely wiped out or destroyed.

We cannot control what is reported. We cannot control what people put on their social media in terms of private citizens and so

forth. But I do think one of the things we will take from this hearing is we have to do a better job of ensuring that Federal agencies are not, in an unintended way, putting out alarmist information that may not be accurate because that is what—once a Federal agency or official does that, and I include elected officials in that—it serves as a citation for others to repeat that point. Right? And it just becomes—everybody else will just start picking up. According to fill-in-the-blank, it is how terrible this is happening.

I wanted to ask just if you could give me an assessment of where we are today—and I know that different parts of the county were impacted differently by the storm—but where we are—and you talked a little bit about the occupation, the vacancies and so forth, the visitor numbers.

But where are we today in comparison to before the storm? And as you give us those numbers, how much of that is due to the fact that some of the things or facilities that might have drawn people here were rebuilding and they were not up and running yet, and how much of that is a lingering impact from travel agents or just individuals sort of still having that in their mind?

Ms. MITCHELL. So, before Irma hit, the destination had not experienced a direct impact from a storm for nearly 12 years, and we enjoyed an uninterrupted decade of expansion of year-round tourism. And as tourism expanded, so did tourism-related businesses. Many new businesses opened and prospered. The economy was humming along very nicely. We found that summer visitation was almost as robust as the traditional winter season.

But when Irma made landfall, many business owners quasi new to the area had not experienced a storm. They did not understand what it meant, and they were not experienced to handle the revenue loss for an extended period of time.

Since Irma hit, we have seen subtle changes within the industry. So, demand is softening during August and September, as you stated.

Weddings and conventions, they are not confident in booking this area during the height of hurricane season.

For business owners, they are having a hard time projecting revenue; therefore, they are having a hard time staffing because the bookings are now coming in so short term. People are waiting to see what is brewing out in the Atlantic Basin, what might be coming down the horizon. They are going to hold off and wait until they know, okay, we can go this weekend, everything is going to be fine.

What is interesting between what happened with Irma and what happened, or did not happen, with Dorian is for the lodging sector, those who were able to house first responders and emergency workers after Irma, they fared okay because the folks staying overnight were paying, you know, per diem rates. They were here on contracts, et cetera.

What happened after Dorian, a non-direct hit, but the financial impact was there was zero business. None. This past Labor Day weekend, we are talking 60 percent down year over year. And 2018 was a rebuilding year. So hurricanes have a devastating effect. And that is just lodging.

Folks like Captain Benson, retail shop owners, restaurants, as I mentioned in my opening comments, they are thinking of closing next year for the month of September because, A, they cannot predict when the business and how much is going to come in because it is so short term.

The consumer confidence in booking a destination during the height of hurricane season is not there yet. We need at least two years of all quiet in order to regain that confidence. They are saying they just—they cannot sustain staying open.

Chairman RUBIO. Let me break that up a little bit on the calendar for a second because we are never going to have one year of all quiet, if all quiet means nothing is brewing out in the Atlantic, that there is not two of the 84,000 lines on the models show could go in your direction. You know, it is—right? So, let me break up for a second.

So the traditional sort of snowbird, for lack of a better term, industry that starts in mid- to late November through March, April. Right? That is—talk to me about that because that industry would not be impacted. That sort of visitor would not be impacted by hurricane season.

So what has been the biggest impact? Are those numbers down? And what has been the biggest impact on that group, some of which are long term? You know, they stay 6 months, 5 months. Six months and a day if they are smart and they come from a State with income tax.

Ms. MITCHELL. The snowbirds—so the November through April crowd——

Chairman RUBIO. Okay.

Ms. MITCHELL [continuing]. I guess we could say——

Chairman RUBIO. Right.

Ms. MITCHELL [continuing]. They—in the winter of 2018, what we saw was the winter resident had to gravitate to either Key West or Key Largo because facilities in the middle—Lower, Middle, and Upper Keys—there were not enough to accommodate them. They wanted to come down, but there just wasn't the space.

Chairman RUBIO. There was nowhere to go. Right.

Ms. MITCHELL. So we saw the Key West district and the Key Largo district pick up as much as they could. Then as lodging reopened, and most of it reopened after that winter season push, we saw it then balance out.

Where we take the biggest hit is in the southeast and Florida drive-down market during hurricane season. That is the crux of our business in the summer. Those are the guys who like to come here and go diving, and they like to go fishing, and they are Floridians and it has been a generational trip every summer. We take the family down to the Keys.

If Florida is in the cone, we are not going to see their business.

Chairman RUBIO. Right.

Ms. MITCHELL. If the Florida Keys is in the cone, we are not going to see the business. So it is a State of Florida—as we saw with Dorian, from Jacksonville to Key West, everybody lost. Everybody lost revenue.

Chairman RUBIO. Yes.

Ms. MITCHELL. Because——

Chairman RUBIO. Well, you will get hit twice because you get hit—people cannot leave their homes if they are in the cone.

Ms. MITCHELL. Right.

Chairman RUBIO. And they are not going to drive into the place that is in the cone. So either one way or the other. You might get hit both ways.

So really, what we are—on the November through April, for lack of a better term, that was a facilities-based problem that——

Ms. MITCHELL. Correct.

Chairman RUBIO [continuing]. Theoretically—and hopefully we are seeing signs of it, will see now coming up here in a month or so—once more places come online, whether that sort of recovers.

So really, what we are focused on is that drive-down, you know, late April, you know, mini season era type stuff in August through November—late October, November crowd. That is the place that is dealing with so much of this uncertainty and, you know, if you are going to book a trip and anything comes on the news, you are going to cancel it——

Ms. MITCHELL. Right.

Chairman RUBIO [continuing]. Kind of problem. And why is that different from—are people just quicker to pull the trigger on the cancellation given what happened a couple years ago? Or is it they are just not booking it at all?

Mr. BENSON. I can answer a little bit because I take—pick up the phone when somebody wants to come and go fishing.

Chairman RUBIO. Right.

Mr. BENSON. If I say, well, I have these days open in September, and they say, that is great, can we pencil them in and then I will make a decision, you know, a week beforehand, and we will have a conversation about a hurricane, you know.

And because I am in an awkward spot, I have to say okay. You know, I want to fill those days and this is a good client, but I do respect, you know, where he is coming from. And I certainly don't want him coming down and then we all have to evacuate together. It is a very problematic situation.

So we—you know, it is kind of—you are just forced into a situation where you have to be more flexible and you have to be basically prepared for cancellations. And we—the same thing with Dorian this year. I mean, I got canceled, you know, during that time period because of the cone of uncertainty.

Chairman RUBIO. Right. So, again—I was going to turn to you—on the November through April subset, have you seen or do you expect those numbers are going to come back?

Mr. BENSON. There is—so the fishing community, the people, the anglers, out there that come down here to book trips, I mean, you know, there is a lot of awareness, a lot of narrative going out. Well, the Keys got hit really hard. You know, there is not the beautiful beaches and places to stay, so maybe I do not want to bring my wife down on our annual fishing trip since it is busted up by a hurricane, and I am used to staying in Marathon.

So there is some tentative stuff there, but then there are also just real questions of there are broken pieces of mangroves all over the place. Marine debris that is on the flats. Where did the fish go? Because for a period of time, there just—the fish just were not

there. I mean, you don't get hit with a category 4 hurricane and the fishing just—it does not immediately respond. It takes months.

And then there are questions, well, did that displace, you know, all of the tarpon migration? Is that even going to happen this year? So there is just a lot of, you know——

Chairman RUBIO. Uncertainty.

Mr. BENSON [continuing]. Real uncertainty that goes into their decision making. And when they choose the Florida Keys over another destination like Mexico or Belize or the Bahamas, you know, that uncertainty and just concern about coming down to a fishery and are there going to be fish, is it fishable? You know, is my favorite fishing spot that I like to go to——

Chairman RUBIO. Still there.

Mr. BENSON [continuing]. Even there anymore?

Chairman RUBIO. Right.

Mr. BENSON. You know, a lot of the stuff that—you probably dove for spiny lobster in the backcountry here. It is covered with sand, those holes. Literally, the holes with the lobsters, where you go to catch them, are just busted up and the habitat has changed. So just a lot of, you know, uncertainty. And that——

Chairman RUBIO. That is year round. I mean, that is applying to every—because they just——

Mr. BENSON. That is year round.

Chairman RUBIO [continuing]. Don't know what it looks like out there, and they don't look—not going to stay in here.

Mr. BENSON. Yeah, right.

Chairman RUBIO. That is lingering. And then you have the seasonable issue, which is, I want to pencil it in, but, you know, what if there is—and you do not even need—I mean, even if you are not in the cone, if you—you know, they are afraid, you know, it is going to be rough out there. We won't even be able to go out. Even if it is far away, the seas are going to be choppy. I'm not going out into that.

So there are all kinds of things, you know.

Mr. BENSON. It is a hedged deal, Senator. I want to book with you, but only if you are willing to pencil me in, and then we can confirm five days ahead. Otherwise——

Chairman RUBIO. They want to book only if you can guarantee that the seas are going to be calm, that the fish are going to bite, and that they get to stay in a nice place.

[Laughter.]

Mr. BENSON. Yeah. That is true.

Chairman RUBIO. Yes. Okay. I know. All right.

I want—I guess really the other question I had is, you know, how does this industry look like in 10 years? I mean, where does it go over the next 5 to 10 years, assuming some of these trend lines remain in place? It will be a smaller—I mean, I know what it has meant in other places.

Mr. BENSON. Speaking to fishing?

Chairman RUBIO. Yes.

Mr. BENSON. The fishing industry?

Chairman RUBIO. Yes.

Mr. BENSON. I think what we experienced, and I am personally living through it in the last week, the sanctuaries come out with this——

Chairman RUBIO. Yes.

Mr. BENSON [continuing]. DEIS. There has been significant fallout from that. I have been kind of at the center of a lot of this fear and misinformation. And I think the same thing is—people are really speaking from a place of uncertainty right now. You know, we got busted up by the storm. It is hard to put your life back together after that, even with, you know, good programs like the SBA and other things that my family capitalized on.

It is hard to put that back together. And, so, people are really fearful of what it is going to look like, and we are all witnessing that trend line. So I do not know what it looks like.

I know that this ecosystem is very resilient. When we do things that are proactive and we can make the right, you know, changes, it responds quickly. And we know that from—science can tell us that ecosystems in general, you know, have the ability to quickly respond.

I think we just need to get more creative and more hands-on with that. And we need—you know, I think we have now got the industry—it is a big enough economic force at this point to make the case for more assistance, you know, with some of those things. And I think we are seeing that right now with Everglades restoration.

I support—I mean, you know, I follow this stuff closely, so I know what the President has done and what our Governor here in the State of Florida has done. I mean, it is quite—you know, we are very, very thankful for that.

Chairman RUBIO. The problem is it has to happen every year for the next——

Mr. BENSON. It has to happen every year, and we need to talk about that.

And I think fishermen need to come together. What I am feeling right now is that my group—you know, my community of fishermen are very frustrated, and I am kind of at the center of it.

We are not—we need more organization, and we need to, you know, speak and work with our county officials and work, you know, with scientists to address that problem. So we have to bear some of our own responsibility and control of our own industry and how—what is our plan for the future. You know, what is it going to look like? And be realistic and feed data into it, you know, and get on the proactive side of how do we——

Chairman RUBIO. Well, you mentioned the sanctuary. That is not the purpose of the hearing today, but you know, we have the public comment period going on. That is still a ways down the road, but it has unleashed tremendous panic and a lot of outrage directly—you know, people really freaking out about what it is going to mean if it were to go down that way. And it is something that, you know, we probably need to have a——

Mr. BENSON. And this goes back to the same social media stuff that——

Chairman RUBIO. Right.

Mr. BENSON [continuing]. Stacey is talking about. When you—if you do not have a good messaging campaign and you don't—you know, and the wrong message gets out there, it—the amount of impact is phenomenal.

Chairman RUBIO. And it is a legitimate thing to be concerned——

Mr. BENSON. Totally.

Chairman RUBIO [continuing]. And keep an eye on and get involved in. There are a lot of equities to weigh in it. But I agree. I mean, it kind of——

The last thing I wanted to ask about was on the SBA disaster loan process, given your experience and having utilized it, and obviously looking at it through the unique lens of the Florida Keys, what does it do—what does the program do well? And just, from your experience, what could it have done or can do better? How do we make it—what is good about it and——

Mr. BENSON. We got some money in our bank account quickly.

Chairman RUBIO. Yes. That is the good part.

Mr. BENSON. It did that really well. And I feel that the paperwork was not overwhelming.

Chairman RUBIO. How did you find out? How did you get access to it?

Mr. BENSON. You know, I don't really remember. I think it was, you know, we came down and there was—families were kind of still up on the mainland, but a bunch of fishing guides and assisted with, you know, Costa Sunglasses.

Like we brought a team down and we were cleaning stuff up and cleaning out neighbors and just kind of getting our houses, you know, opened back up with trees that had fallen on them and stuff like that. And I think the conversation just got going, and everybody within that group kind of came up with a plan. Hey, we are all going to go get our small business loans. That is going to tide us through, and we are going to help each other get, you know, the power turned back on and, you know, the plumbing and all that kind of stuff.

So I think it was just a group, you know, tried mentality, that somebody was aware of it——

Chairman RUBIO. Got it.

Mr. BENSON [continuing]. And working the issue, and word of mouth really got it around.

I would—to speak to that on how we might be able to make it better, I would like to—and I know I could have benefited myself.

In preparing for the evacuation of our family—we left personally—I would have liked to have known, hey, when a storm hits, okay, it is one thing to consider life safety, but it is another thing to just be ready and prepared for the changes that you are going to experience.

Whether your storm gets—whether your house gets impacted or not, you know, whether you can go home and you still have a house, or you are going to have to fix it, you know, here are the steps regardless that you are going to need to take in this time period because you are facing a 6-month, you know, obstacle here.

And the very first thing is go ahead and get your application going before—you know, while you are evacuating, while you are

sitting in a hotel room in upstate Florida, you know, looking at the storm hitting you, you know, on the nightly news. Like we can go through and get proactive about that stuff.

And I would like to see the financial component of what it takes to rebuild the community built into the kind of "what you should do in the event of a disaster." You know, from the very beginning, and say, you know, get your hurricane supplies, get your evacuation plans, but also, you know, be prepared with your—you know, with the website links, with, you know, how you are going to fill out the paperwork, what kind of amount you are going to be looking for, and go ahead and just get ahead of that.

Realistically, the weeks or months times period it takes to get down, open your house up, go through, you know, a closing of a loan document and then finally getting the loan, that could be, you know, a month and a half or two months. And that is a critical time period where businesses need capital. We need, you know, to get ahead. And I would have liked to have known a little bit more about it and had those pieces coming in earlier on in my timeline.

Chairman RUBIO. It almost sounds like you are advocating for sort of a comprehensive pre-event——

Mr. BENSON. Right.

Chairman RUBIO [continuing]. You know, place where you can go and say, okay, I know I live in an area over X number of years, I am going to have this, and hopefully I will never need to use it, but here is a checklist of things that will be available to you if this happens. And sort of—I don't even know what the equivalent of it would be outside of the hurricane setting, but almost a pre-need portfolio.

Mr. BENSON. Yeah. The same way that you put your hurricane preparedness kit with batteries and flashlight and stuff together.

Chairman RUBIO. A post-event.

Mr. BENSON. You put your financial stuff together so that——

Chairman RUBIO. That is a great idea.

Mr. BENSON [continuing]. I can clean up my house. You know, I can pull the mold out of my house and know that like I am a phone call away from like getting a loan approved, and I don't need to go through a lot of the hoops while I am also trying to put my house back together.

Chairman RUBIO. Well, part of it is—and we dealt with this as we were trying to help people through it—you know, a lot of these forms and processes are all reliant on things like the internet and electricity.

Mr. BENSON. Right.

Chairman RUBIO. Which aren't available. Like go fax this paper, and it's like, well, I mean, there is not even a phone line that functions, or electricity.

So that is a really good suggestion, and one that I don't know if we can systemize on a National level, but it is certainly one that for people that are in areas that you think may be impacted at some point in the future, in addition to having a hurricane preparedness kit for like surviving 7—I think they moved it from 3 days to 7 this year. But you also need to have some of those forms potentially even filled out and the documentation.

Mr. BENSON. Right. And FEMA or, you know, the Small Business Administration—I don't know whether they kind of open areas for loan—it has gone on a geographic basis for disaster loan kind of situations. But it would be great if the Small Business Administration could just say, you know, Florida, at some point in the future, may be impacted, so we are going to go ahead and like——

Chairman RUBIO. Pre-register.

Mr. BENSON [continuing]. Acknowledge that. And if folks want to pre-register, you know, while the storm is hitting, you know, while we are in the cone, and then while we are gathering all of our, you know, plans and supplies and we still have internet, you know, go ahead and just get those preparations done so that we can concentrate on our families, on our houses, knowing that that assistance is already lined up for us.

Chairman RUBIO. Mr. Gastesi, let me—that is a great idea and something that we are going to follow up and see how we can create something like that.

The—you know, working with you and many of the local officials at the municipal level, one of the biggest things that we really focused on were the canals, and that was a—you talk about a real impediment. Those canals were just as important as the roads for a lot of—including your industry, but even for a recreational boat owner or what have you.

And, you know, we still face some of these strange situations where they would say this money is to remove whatever is in there from this storm, but if you see something down there from the last storm, that cannot be moved. It was—so I said just pretend all of it is from this one, you know.

But anyway, the real question—and one of the decisions that was made, which I think was smart and important, was to go through the USDA process as opposed to the FEMA route. It is still—but a lot of that work has been done. Can you give us an update of where we are in the canal cleanup process at this point?

Mr. GASTESI. Sure. Sure. Thank you for bringing that up. And if it wasn't for you, I don't think we would have gotten that $49 million.

Chairman RUBIO. You would have gotten it probably in 25 years.

[Laughter.]

Mr. GASTESI. So, you were very instrumental in that, and thank you for that again.

And I have to give you a quick story because that is the NRCS program, the watershed protection program. And I am old enough to know and remember in 1998 when the last time that program was used here in the Keys. I was living in Miami-Dade at the time, but we assisted.

Back then, they were a lot more generous, like what you were saying. If it was in the canal, take it out. There was an environmental component to the program that has been lost. Frankly, Senator, the whole program, I think, has been hijacked by the folks that are worried about water column, water—flood protection, and they are forgetting the environmental component.

The program is called the Natural Resources Conservation Service. Natural resources is natural resources. All they want to see now is water conveyance, flood protection, those kind of things.

That was not the case back in 1998. As a matter of fact, in 1998, they cleaned up all the canals. It was not nearly as bad, of course. They also did tree trimming as far as the mangrove trimming for the canals because those end up in the canals, also. They did not allow us to do that this time.

If you see the jetty around Duck Key, that was built after the 1998 storm by this program. This time, they would not allow us to do any embankments, improvements, or anything like that.

So, I think we have to look at the program. I think it is still the right program, but it has morphed in the wrong direction. And I think with your help, and with our help, and with everybody working together, we can go back and show them that environmental; or just carve ourselves out as a National Marine Sanctuary and the Florida Keys, a uniqueness of the Florida Keys.

As you know, we have done that at the State level with your help, with the Areas of Critical State Concern. We can do something similar at the National level. We need to look at that.

Now, where are we? We are doing very well. The money has been flowing. The folks that are running the program in Gainesville, the local office, have been fantastic. They have been working with us. They are very uncomfortable because they get a lot of pushback from Washington, but they have been working with us and we are nearly complete. Out of the $49 million, I don't think we are going to get there. We might touch $30 million because, you know, they have rejected a lot of the canals.

So there is still a lot of stuff being left behind and it is unfortunate, but it does not meet that check-it box now that they are saying water conveyance. It is not affecting water conveyance, so they are saying leave it there.

Chairman RUBIO. Yes. Just to describe to people, there are two issues. One is the program was actually created for potentially a separate, at the time, sort of thought process and did not exactly apply. So we had to—there would be some creativity in applying it to this because everybody wanted to do it, but they had to deal with the way it was written and so forth. We got through that.

The second thing people do not realize is this work actually started before the money ever came down. The county, I believe, in many cases took on—fronted the money.

Mr. GASTESI. Yes.

Chairman RUBIO. And we know that in the FEMA process, it has taken multiple years to get some of that money through the State and then down here. It moved a little quicker—Agriculture is a little bit more nimble in getting it there.

But what people need to understand is, you have a storm, you have sometimes to borrow the money to begin the work on these kinds—you cannot wait a year for it, for the check to get there. And then you run the risk of being rejected.

Mr. GASTESI. Correct.

Chairman RUBIO. Or running into the next budget cycle and, in the interim, beginning to pay the interest, so the cost grows on it.

So I did—I do think we learned from this experience some of the changes we want to see in the future because at the end of the day, I mean, this is going to be an ongoing challenge anytime there is any event that could push things out into the canal.

I wanted to ask all of you here—I promised everyone we would be done by 11:30. So before we wrap up, the one issue that I am—remain concerned about is workforce housing, in particular.

As we talk about bringing business back, as we talk—you need employees. And, you know, if you are further north, you could potentially live in Florida City or so forth and drive down. The further south and southwest you get, the harder and harder it becomes. You have to live locally.

And I know that one of the concerns I always had was, as people look at rebuilding, are you going to rebuild housing that is affordable for people who work here? Or are you going to build something that you can rent out seasonally or year round for a lot of money?

And so I always looked at that point and say, okay, imagine you are the owner of a piece of property that used to be this kind of housing on it, but now you get a chance to rebuild it. What do you rebuild? Do you rebuild volume, or do you rebuild high-end and sort of——

Where are we on that issue? Because that, long term, is going to be another big issue. That is, not just housing the people that are helping rebuild, but housing people that are going to work and service and provide the services to these—to the industries that we are relying on.

Mr. GASTESI. Sure. Sir, we are finding it for our own employees that we are having trouble keeping, right? So we are going to start building houses ourselves for our employees. Right now we only have three units throughout the whole Keys, and we are in the process of building 30 more. We are getting some of the grant money that is available and some of our own money and building housing for our own employees.

And I think a lot of people are doing that. The military has been doing that for 200 years. They bring people down. They house them, also.

So, I think at some of the hotels—the hotel that Stacey mentioned that was built here, they had 32 units right onsite for their workers.

I think you are going to see more and more of that. We have to provide the housing, workforce housing, for the workers.

And I like to say, everybody take care of their own. You know, if you are going to have a business here, you are going to have to provide housing at least for your core employees. And some of the successful businesses all through the Keys are already doing that, and they have been doing that through the years. So I think you are starting to see some of that.

As far as the county is involved, we are going to start building houses for at least our core employees. Our employees will come in and then get themselves established and can buy a house, you know, 5, 6, 10 years down the road. But we are going to have a housing program that we are establishing as we speak.

Chairman RUBIO. Has that been an impediment on the hospitality side, as well?

Ms. MITCHELL. Sure, because as our average daily rates climb, we have become an upscale luxury destination. With that comes an expectation of service levels. And if you do not have staff to service your guests at that expected level, then you get bad reviews and

a reduction in occupancy and then the trickle-down economics of that.

But as Roman said, more and more hotels are providing lodging for their employees. And there is even a situation in Key West where a bar owner has taken matters into his own hands. He bought property; he is renovating it. And again, he is providing a living situation for his bartenders and his servers.

So it is a great entrepreneurial spirit here where people are taking matters in their own hands. And those who are able to are just saying, okay, fine, I am going to provide housing so that I have a stable workforce, and I don't have to worry about being short-staffed and not delivering the service that our guests have come to expect.

Chairman RUBIO. Okay. Well, I think it is 11:31, so I apologize. I went over.

But I do want to thank the three of you for being here today. This was very useful. I think we took from it a good update on how to improve the program in terms of awareness.

Obviously, we took clearly away some of the ecological and environmental issues that we need to be focused on that are critical to it.

We talked about housing.

We talked about how to improve the programs in the future.

And we talked about well-intentioned misinformation in some cases leading to long-term implications. And I think we really broke it out into particularly that season in what we call ending of the summer, April through late October, early November and the uncertainty that creates for lodging and related businesses. And, the incredible uncertainty it creates frankly every day.

But the shorter someone's trip is on the fishing trip, the more difficult—it is one thing if you are going to be here 7 to 10 days. You can play with that a little bit. You know, I am going to be there for one day, can you guarantee me this one day is going to work out? And then you pencil in. How can you plan business around that? So all of these are challenges.

But this is a special place to me personally. It is one of the things that makes the State very unique. And we try to apply both the empirical evidence that we gather from data sets, but also the things I hear from people or experience myself. And, we are going to continue to be focused on that.

And, when it relates to this committee, what we can do from the SBA standpoint to ensure that the programs that we have designed at the National and Federal level also are flexible enough to take into account unique places, such as this, and the unique challenges that it faces here.

Again, I want to thank you all for being here and all those who attended.

Just as part of the disclaimer language, you always have to give—the record for this hearing is going to remain open for 2 weeks. If there are any statements or questions that people want submitted for the record—by the way, a lot of people—I do these field hearings. The record is important because when we file legislation or go back in the future and propose a program, we cite the record of testimony or the input people give as reasons why. It is

what we justify for. We say, this is the reason why we are doing this. This is the reason why we are going to do it. And we can use the Congressional record for it.

So if there are any statements or questions for the record, if you would submit them by the 18th of October at 5:00 p.m. so they can be a part of the final record.

And with that, the hearing today is adjourned. Thank you, everyone, for—and for allowing us to use the City facilities.

With that, the hearing is adjourned.

[Whereupon, at 11:36 a.m., the hearing was adjourned.]

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